

STATE OF NORTH DAKOTA
BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of)	
)	
Health Med Benefits, L.L.C.,)	CEASE AND DESIST ORDER
a Delaware Limited Liability Company,)	AND NOTICE OF
a/k/a Health Care Benefits,)	OPPORTUNITY FOR HEARING
)	
Respondent.)	CASE NO. CO-06-180

TO: Health Med Benefits, L.L.C., a Delaware Limited Liability Company, a/k/a Health Care Benefits

Commissioner of Insurance Jim Poolman, hereinafter "Commissioner", has determined as follows:

1. N.D. Cent. Code § 26.1-01-03.1 authorizes the Commissioner to issue an Order to cease and desist when it appears that any person or business entity is engaged in an act or practice which violates or may lead to a violation of Title 26.1 of the North Dakota Century Code.
2. N.D. Cent. Code Chapter 26.1-53 governs the marketing of discount medical plans in North Dakota.
3. Health Med Benefits, L.L.C. is a Delaware Limited Liability Company.
4. On January 20, 2006, Health Med Benefits, L.L.C., or unknown persons acting on its behalf, sent by facsimile transmission an advertisement for a discount medical plan to (701) 265-4554. A true and correct copy of the advertisement faxed is attached hereto as Exhibit 1.
5. Telephone numbers containing area code (701) are North Dakota based telephone numbers.

6. The faxed advertisement uses the following terms in a manner that could reasonably mislead a person into believing the discount medical plan is insurance and that said use constitutes a violation of N.D. Cent. Code § 26.1-53-02(2):

- a. “BENEFITS INCLUDE” followed by the terms “Accidental injury (Medical/Dental)”, “Vision & Eye Care”, “Prescription Drugs”, “Chiropractors”, “Hospitalization”, “Diabetic Care”, “Emergency Care”, “Alternative Care”, “Dental”, “Hearing”, “Physicians”; and
- b. Pre-existing conditions.

7. The faxed advertisement does not contain the disclosures required by N.D. Cent. Code § 26.1-53-03(1) including, but not limited to, the following disclosures: (1) that the plan is not an insurance policy; (2) that the plan member is obligated to pay for all health care services but will receive a discount from those health care providers that have contracted with the discount medical plan organization; (3) the name, address, and telephone number of the discount medical plan organization and the marketer; and (4) the cancellation and refund rights provided under N.D. Cent. Code § 26.1-53-08.

8. The faxed advertisement violates the provisions of N.D. Cent. Code §§ 26.1-53-02(2) and 26.1-53-03.

9. When calling 1-800-693-6914, the response number contained in the faxed advertisement, the automated answering system answers as “Health Care Benefits”.

10. Persons answering 1-800-693-6914 indicate that the Company providing the plan is “Health Med Benefits” and that the company’s website is www.healthmedbenefits.com.

11. The www.healthmedbenefits.com website lists Health Med Benefits address as 26 Fox Hunt Drive #278, Bear, Delaware, 19701 and its enrollment phone number as 1-800-693-6914.

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to N.D. Cent. Code § 26.1-01-03.1 that the Respondent shall immediately **CEASE AND DESIST** using the advertisement attached hereto in marketing, promoting, selling or distributing any discount medical plan in the State of North Dakota and from marketing, promoting, selling or distributing any discount medical plan in the State of North Dakota in violation of the provisions of Chapter 26.1-53 of the North Dakota Century Code.

NOTICE OF OPPORTUNITY FOR HEARING

Any party aggrieved by the Commissioner's order may make written application for a hearing on the order within 30 days of the date of the order. The application for a hearing must briefly state the respects in which the applicant is aggrieved by the order and the grounds for relief to be relied upon at the hearing. A hearing must be held not later than 10 days after an application for hearing is received unless a delay is requested by all persons named in the order. The Commissioner, within 30 days after the hearing, shall issue an order vacating the Cease and Desist Order or making the Cease and Desist Order permanent, as the facts require. The failure of any named person to appear at any proper hearing under this section after receiving notice of the hearing will cause that person to be in default and the allegations contained in the Cease and Desist Order may be deemed to be true and may be used against the person at the hearing. If no hearing is requested by written application, the Commissioner's Order becomes permanent.

DATED this 20th day of February, 2006.



Jim Poolman
Commissioner
N.D. Insurance Department
600 East Boulevard Avenue
Bismarck, ND 58505
(701) 328-2440

HEALTH CARE

FOR THE ENTIRE FAMILY

MEDICAL - DENTAL - PRESCRIPTION+

SAVE UP TO 60% 30 Day Money Back Guarantee

BENEFITS INCLUDE

- Accidental Injury (Medical/Dental)
- Vision & Eye Care
- Prescription Drugs
- Diabetic Care
- Chiropractors
- Hospitalization
- Dental
- Emergency Care
- Alternative Care
- Hearing
- Physicians

\$49.95

per month for individuals

\$59.95

per month for the whole family

No enrollment fees! Great for small businesses!

PRE-EXISTING CONDITIONS ACCEPTED
NO EXCLUSIONS OR LIMITATIONS
NO LIMITS ON USAGE

Call 9am - 5pm CST

Toll-Free 800.693.6914

IF YOU RECEIVED THIS FAX IN ERROR, TO REMOVE CALL TOLL FREE 1-877-255-0667